

# **Exhibit F**



December 23, 2011

Mr. Brantley Thomas  
Berkeley County School District  
1007 Island Crossing Drive  
Hanahan, SC 29410-4750

Re: Securing Assets for Education (SAFE)  
Directors & Officers Liability Coverage

Dear Brantley:

As per your discussions with Stan, we have enclosed the invoices which represent the third of three year installment premiums for the above for the term December, 19, 2011/2012.

Please review the enclosures and if you should have any questions, please do not hesitate to let us know. Thank you again for allowing us the opportunity to continue these coverages for the District. Best wishes for a very Merry Christmas to you and your family, and much happiness in the coming year!

Sincerely,

Jana Pokorney  
Senior Account Manager

Enclosures

**Knauff Insurance Agency I**

P O Box 33789  
 Charlotte, NC 28233-3789  
 Phone: (704) 375-8000  
 Fax: (704) 334-6526  
 Email: info@knauffins.com



**Securing Assets for Education**  
**Attn: Brantley Thomas**  
**P. O. Box 128**  
**Moncks Corner, SC 29461**

Invoice #	957	Page	1 of 1
Account Number		Date	
SECUASS-01		12/21/2011	
BALANCE DUE ON			
12/21/2011			
AMOUNT PAID		Amount Due	
		\$65,000.00	

Directors & Officers Liability	PolicyNumber:	BCP8695098	Effective:	12/19/2011	to	12/19/2012
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Item #	Trans	Eff Date	Due Date	Trans	Description	Amount
3955		12/19/2011	12/21/2011	RENB	Renewal Premium	\$65,000.00

Directors & Officers Liability/Employment Practices Liability Coverage

**Total Invoice Balance:** **\$65,000.00**

Third Year of Three-Year Term Installment - Thank You!

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**Securing Assets for Education**  
**Attn: Brantley Thomas**  
**P. O. Box 128**  
**Moncks Corner, SC 29461**

Invoice #	964	Page	1 of 1
Account Number		Date	
SECUASS-01		12/21/2011	
BALANCE DUE ON			
12/21/2011			
AMOUNT PAID		Amount Due	
		\$118,625.00	

Service & Consulting Fee	PolicyNumber:	CONSULTING FEE	Effective:	12/19/2011	to	12/19/2012
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Item #	Trans Eff Date	Due Date Trans	Description	Amount
3967	12/19/2011	12/21/2011 AFRE	Brokerage Service Fee	\$118,625.00
SAFE - Brokerage Service Fee Third of Three-Year Term Installment Billing				
<b>Total Invoice Balance:</b>				<b>\$118,625.00</b>

Thank You!

December 19, 2009

Mr. Brantley Thomas  
Berkeley County School District  
229 E. Main Street  
Moncks Corner, SC 29461

Re: Brokerage Service Agreement - SAFE  
Policy Term 12-19-09/12

Dear Brantley:

Attached please find the Knauff Insurance, Inc. (hereinafter "Knauff") Brokerage Service Agreement ("Agreement") for the Berkeley County School District (SAFE) (hereinafter "Client").

**1. SERVICES PROVIDED.**

Subject to the terms and conditions of this Agreement, Knauff agrees to provide the following services in connection with Client's Property and Casualty insurance program.

**1.1 Risk Identification and Evaluation**

Assist in identification and evaluation of significant loss exposures.

**1.2 Risk Finance Program Design**

Recommend insurance and/or other risk finance program structures, limits and service strategies to assist in evaluating risk finance options.

**1.3 Market Submission Preparation and Review**

Develop submission for Client's review and approval

**1.4 Broking**

Identify, evaluate and develop markets

Conduct negotiations with markets

Compare and make recommendations about program options

Place coverages or programs with markets as selected by Client

**1.5 Risk Finance Program Execution**

Issue certificates of insurance, auto identification cards and other program documents as requested by Client  
Review policies and other coverage documents  
Prepare schedules of insurance  
Prepare schedules of exposures as requested by Client  
Process endorsements and other program changes as authorized by Client

**1.6 Ongoing Client Service**

**1.7 Claims Services**

**2. COMPENSATION.**

**2.1.** In consideration of the services to be provided, Client agrees to pay Knauff an annual fee of \$118,625 to be paid annually. Knauff's compensation shall be net of any premium or surplus lines taxes, sales, use, excise, value added or similar taxes, which taxes shall be the responsibility of, whether or not billed by Knauff. This agreement includes the services provided on the following lines of insurance: Directors & Officers Liability coverage.

**2.2** In the event of any mergers, acquisitions or other substantial changes in Client's business which result in a material increase in the responsibilities and time spent by Knauff beyond the original contemplation of the parties, the fee set forth in paragraph 2.1 shall be subject to renegotiation.

**3. TERM.**

This Agreement shall be for multi-year periods commencing on December 19, 2009 unless earlier terminated by either party. Knauff's responsibilities for performing the services stated in this Agreement and for servicing Client's coverages or programs shall cease as of the date of termination.

**4. OTHER TERMS AND CONDITIONS.**

The parties agree that:

- 4.1 Berkeley County School District responsibilities include:
  - a. to make final decisions with respect to submissions and other matters relating to Client's coverages, risk management and risk control needs, activities and programs.
  - b. to review coverage documents delivered by Knauff and advise Knauff of any deviation in such documents from Client's specifications.
  - c. to provide complete and accurate information to Knauff as to Client's loss experience, risk exposures and any other information that Knauff requests.
  - d. to notify Knauff of any changes in business operations that may affect Knauff's services or coverages procured by Knauff.
- 4.2 Knauff cannot guarantee the availability of any particular form or type of insurance coverage or financial protection, the reasonableness of any term or condition nor, the financial solvency or condition of any insurer or other market.
- 4.3 The services provided by Knauff hereunder are provided for the exclusive use of Berkeley County School District and such services, recommendations, proposals, reports and information provided by Knauff are not to be distributed to, used or relied upon by other parties.
- 4.4 All disputes, claims or controversies relating to this Agreement, or the services provided, which are not otherwise settled, shall be submitted to a panel of three arbitrators and resolved by final and binding arbitration, to the exclusion of any courts of laws, under the commercial rules of the American Arbitration Association.

In those instances where any party is involved in an underlying claim or coverage dispute but the other is not, it is agreed that the arbitrators shall not be bound by any factual or legal determinations in such underlying claim or coverage dispute and that the arbitrators shall, in those cases where liability and/or damages cannot fairly be evaluated until resolution of the underlying claim or coverage dispute,

defer their consideration pending resolution of any such underlying claim or coverage dispute.

- 4.5 Judgment upon the award rendered may be entered in any court having jurisdiction thereof; however, the arbitrators may not enter an award for damages in excess of the actual compensatory damages sustained, nor make any award for punitive damages. Each party shall bear the expense of its own arbitrator and shall jointly and equally bear with the other party the cost of the third arbitrator and of the arbitration.
- 4.6 This Agreement, including any Exhibits referenced in this Agreement, constitutes the entire Agreement between the parties and supersedes all proposals, prior discussions and representations, oral or written, between the parties relating to this Agreement or any services to be provided to Berkeley County School District.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dated indicated below.

**Berkeley County School District**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Client

**Knauff Insurance, Inc.**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Stanley J. Pokorney  
Knauff Insurance, Inc.  
704-375-8000